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A STUDY ON DIGITAL PAYMENTS DURING COVID-19 SITUATION IN INDA

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ABSTRACT

The Covid-19 pandemic has made rapid advancement in digital transformation of the contact less payments system in India. Besides augmenting the broad-based use of technology, the pandemic has fuelled the increase of digital modes of payment, there by the country is made to march towards 'less-cash' alternatives. It is also observed that accepting contactless payment during an covid-19 pandemic helps merchants attract more new consumers. Digital payment technology continues to support sales growth, especially for small businesses and new entrepreneurs. In the present study we depict the different advanced payment techniques that are used during pandemic by various sections of people.

KEYWORDS : Covid-19 pandemic, Digital Payments,UPI, Mobile wallets

I.INTRODUCTION

Conventional payment methods like cash and paper cheques are being gradually phased out in favour of digital transactions. There are lots benefits to digital financial transactions, and with multiple types on offer. We have already using some form of digital payment system in our day to day transactions. [1]

Any transactions which take place without the need for cash or paper is referred as A digital transaction. Fintech companies have transformed what financial transactions look like in today's world, with cash becoming increasingly obsolete as a result. The Union Cabinet has given its approval for introduction of steps for promotion of payments through cards and digital means. The move aims at reducing cash transactions. Several short term and medium term measures have been approved for implementation by the organizations. [2]

In this scenario the covid-19 pandemic has considerably accelerated the acceptance of digital payments, and seen lending solutions grow at a quick speed, resulting in the mass inclusion of factions of the society that were ill-served by traditional financial methods. The usage of digital and contactless payments rise during the pandemic, as people chose for safer ways to financial transaction. Many businesses were shattered completely after the arrival of the corona virus. Since the merchants could not open their business store and people were unable to out and make purchases. All these things have made economic situation very unfortunate. However, digital payment modes play a very beneficial role in the face of this critical situation. We do not see the pandemic as a lost opportunity; rather it has generated unexpected revenues that were never imagined. The fintech industry has seen a steep rise in the number of transactions amid the lockdown. The year 2020 is seen to be a boom for the industry and things are happening at a fast pace. To an extent, the pandemic has proved beneficial for the fintech industry players to execute their plans and try to maximise reach with their offerings. There are different digital payment methods available as part of encouraging cashless transactions and transforming India to a business with no cash. These transfers could be done through means of cards (debit/credit), mobile wallets, mobile apps, net banking, Electronic Clearing Service (ECS), National Electronic Fund Transfer (NEFT), Immediate Payment Service (IMPS) or other similar means.Electronic Payments gives people more flexibility to pay their taxes, permits, penalties, fines and transactions at unconventional places and 365 days of the year at any time of the day.In this paper we have reported the effect of covid-19 pandemic on digital payments by studying the buying behavior of different sections of people using various digital transactions.

II.LITERATURE REVIEW

A study by M.Thangajesu Sathish, et al [3] prove that the traditional cash transaction cannot completely be replaced by card or digital payment system. People may use their mobile wallets for the payment transaction, transfer fund digitally, make grocery purchase and in paying bills etc. using mobile wallets. The study has explained that the trust is the major factor affecting users' satisfaction and it has a major impact on many users' intention to adopt mobile wallets.

Sornaganesh .V and Chelladurai .M 4], in their article clearly reveal the scenario at the time of demonetization in 2016. The researcher has studied about the demonetization impact and financial technology developments in India. The researcher also analyzed about payment service sector during the demonetization period. They observed that digital payment system had the largest move in the mobile internet space from the technology point of viewthe versatile web space from the innovation perspective.

A study of G.Sudha and Dr.Sornaganesh[5] reveal that after demonetization, changes in buying behaviour are clearly observed . After demonetization reduce the paper money. Most of the respondents used digital cash after the demonetization, used through the mobile applications, Internet Banking, etc.,

III.OBJECTIVE OF THE STUDY

- To find out the effect of Covid-19 on Digital payments.
- To compare the respondents buying behaviour before lockdown and during the lockdown.
- To analysis the mode of payment done by the respondents before lockdown and during lockdown.
- To find the online payment site used by the respondents.
- To analyzed the difficulties confronted by them while during online payment.

IV.RESEARCH METHODOLOGY

The survey was administrated with an example size of 220 respondents chose by applying straightforward irregular testing technique. In the current investigation, both the essential information and optional information have been utilized. The examination is generally founded on essential information. Fundamental auxiliary information likewise has been gathered from different sources like paper, magazines and sites.

V.LIMITATIONS OF THE STUDY

- ✓ The information given by the respondents might be biased because some of them might not be interested in providing correct information.
- ✓ Respondent tried to escape some statement. This was one of the most imperative limitations faced, as it was tough to investigation and come at a correct conclusion.

VI.Digital payment modes

There are various modes of digital payments . debit/credit cards, internet banking, mobile wallets, digital payment apps, Unified Payments Interface (UPI) service, Unstructured Supplementary Service Data (USSD), Bank prepaid cards, mobile banking, etc. are some of the digital payment modes. In the following section, debit/credit cards, Unified Payments Interface (UPI) service , mobile wallets and internet banking are discussed.

Bank debit/credit cards:

In India the most widely used payment method is the use of bank Cards .Bank cards come with a range of benefits such as security of payments, convenience, etc. Some of the most reputed and well-known card payment systems are Visa, Rupay and MasterCard, among others. The main advantage of debit/credit or prepaid banking cards is that they can be used to make other types of digital payments. For example, customers can store card information in digital payment apps or mobile wallets to make a cashless payment. Banking cards can be used for online purchases, in digital payment apps, PoS machines, online transactions, etc.

Unified Payments Interface (UPI) service

Unified Payment Interface, also known as UPI, is nowadays very popular especially in urban areas after the introduction of google pay app. It powers multiple bank accounts (of any participating banks) into a single mobile application that allows several banking features, seamless fund routing, and merchant payments under a single roof. Currently, almost all banks are live on the UPI.

The following are some of the beneficial features of UPI :

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- It allows immediate fund transfer through registered mobile phone 24*7*365. Money can be instantly transferred to the phone contacts registered with the UPI, QR codes in shops, by typing the contact number or UPI ID, to pay the utility bill and make donations, etc.
- For double-layer security, a 2-factor authentication is required to process transactions.
- The banks do not charge the customer for the UPI transactions. The maximum amount that can be transferred per transaction is Rs 1 lakh.

Mobile Wallets:

Mobile wallet, also known as a digital wallet or e-wallet, is a type of virtual wallet that can link your debit card and/or credit card information in a mobile device to your mobile wallet app and lets you transfer funds online to the wallet. This app can be seamlessly used to make purchases through your smartphone, tablet, or smartwatch, instead of physically using plastic cards. To load money in the mobile wallet, a customer has to link their bank account to it.

Some of the key features and benefits of mobile wallets are:

- Banks generally charge a fixed fee for the remittance. A customer can make a transaction of up to Rs 2,00,000 through a mobile wallet.

- Through a mobile wallet, a customer can send or receive money, pay utility bills, pay insurance premiums, scan the QR code to make a purchase, and much more.

Internet-banking

Internet banking is popular among the general public before the UPI and Mobile wallet modes. Internet Banking or Online Banking lets the customer make transactions and other financial activities through a bank's website. Internet Banking allows a customer to do all the banking transactions that are possible to do online. A customer has to register themselves for internet banking with the bank they hold their Savings Account with.

Some of the key features and benefits of Internet Banking are:

- Money transfer can be done to any bank account through National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), Immediate Payment Services (IMPS)

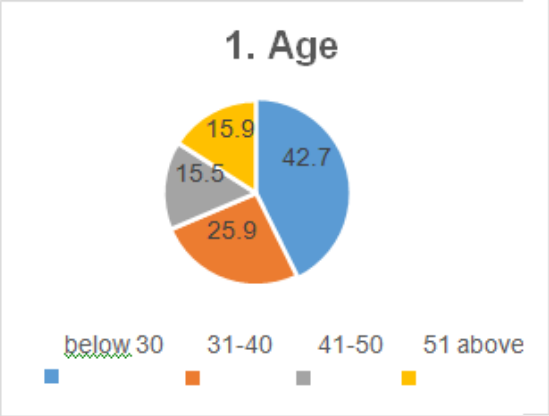
- Stop payment of cheque, cheque book request, downloading of bank statements, checking balance, Electronic Clearing System (ECS), applying for a loan, availing of the instant loans and paying utility bills are some of the examples of the requests and transactions that can be done through internet banking.

- Most banks do not charge for payments done through internet banking.

VII.ANALYSIS AND DISCUSSION:

Table 1 – Age

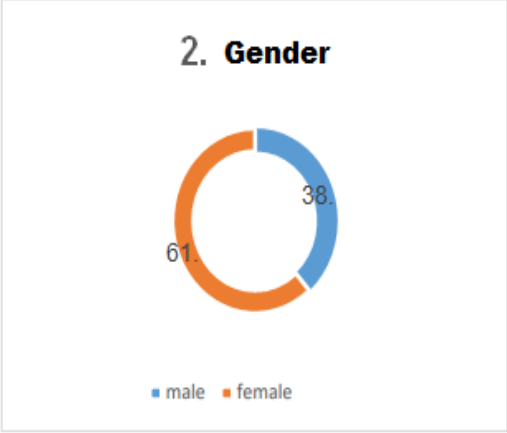
S. No	Age	Frequency	%
1	Below 30	94	42.7
2	31 – 40 years	57	25.9
3	41 – 50 years	34	15.5
4	51 and Above	35	15.9



The table 1 shows persons of less than 30 years of age use high percentage of(42.7%) digital transcations.

Table 2 – Gender

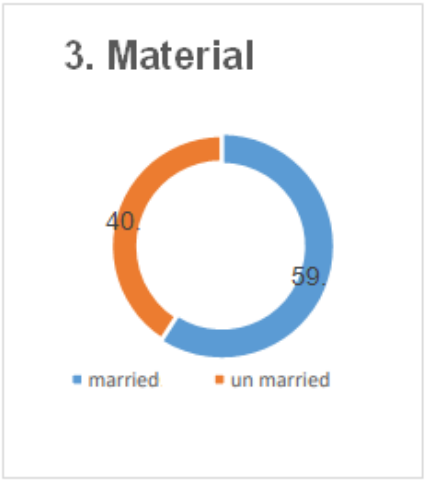
S. No	Gender	Frequency	Percentage %
1	Male	85	38.6
2	Female	135	61.4



The table 2 shows that 61.44% females make online shopping compared to males who make 38% of online shopping.

Table 3 – Married Status

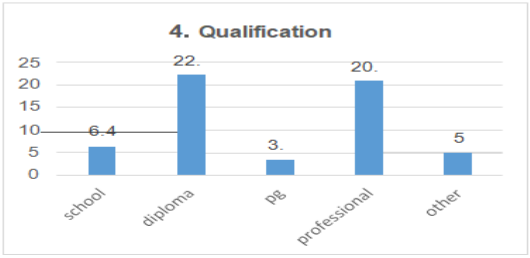
S. No	Material Status	Frequency	Percentage 100 %
1	Married	130	59.1
2	Un married	90	40.9



Then Table 3 shows that more unmarried persons (59.1%) opt for online payment compared to married.

Table 4– Qualification

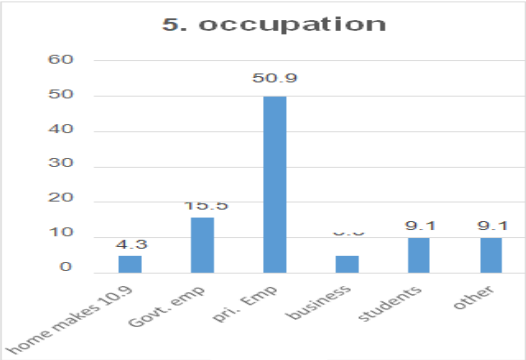
S. No	Qualification	Frequency	Percentage 100 %
1	School	14	6.4
2	Degree/Diploma	49	22.3
3	Post Graduate	100	45.5
4	Professional	46	20.9
5	Other	11	5.0



The table 4 shows that people with higher qualification prefers to transact digitally.

Table 5 – Occupation

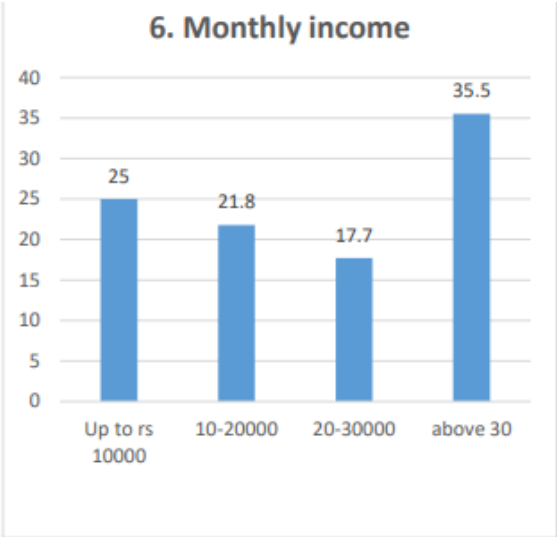
S. No	Occupation	Frequency	Percentage 100 %
1	Home Makers	24	10.9
2	Government employee	34	15.5
3	Private employee	112	50.9
4	Business	10	4.5
5	Student	20	9.1
6	Others	20	9.1



The Table 5 shows occupation wise usage of digital transaction.

Table 6 – Monthly income

S. No	Income	Frequency	Percentage 100 %
1	Up to Rs 10,000	55	25.0
2	Rs 10,000 – 20,000	48	21.8
3	Rs 20,000 – 30,000	39	17.7
4	Above Rs 30,000	78	35.5



The Table 6 shows that, higher income group mostly prefer digital transaction.

VII. Conclusion

To study the effect of Covid-19 on Digital payments we have analyzed and compared the respondents buying behavior before lockdown and during the lockdown.

Our study shows that the people in the following group used more digital transactions compared to other sections of people.

Youngsters below the age of 30 years and Female preferred more digital transactions than the male counterpart. Considering the qualification and employment status , post graduates and private sector employees are using more digital transactions compared to others. It is also found that people earning more than 30,000 per month and unmarried people go for refer digital payments .

Though the use of digital transactions is on the increase by all sorts of people, there are some issues which are to be addressed by the government in order to have a complete cashless economy and to provide sustainable economic development of the country.

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